

## Message Text

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FM AMEMBASSY RABAT  
TO SECSTATE WASHDC PRIORITY 1551  
INFO AMEMBASSY TUNIS PRIORITY

S E C R E T SECTION 1 OF 3 RABAT 1965

FROM AMBASSADOR

TUNIS FOR UNDER SECRETARY HABIB

E.O. 11652: GDS  
TAGS: AMGT PFOR US MO  
SUBJECT: PARM--ANNUAL POLICY AND RESOURCE ASSESSMENT - PART I

REF: (A) CERP 0001, (B) STATE 038356

1. THE FOLLOWING IS PART I OF OUR ANNUAL POLICY AND  
RESOURCE ASSESSMENT FOR MOROCCO.

2. PRINCIPAL LONG-TERM US INTERESTS - MOROCCO:

A. A STABLE AND MODERATE REGIME IN UNCONTESTED  
CONTROL OF ITS STRATEGIC LOCATION ON THE STRAITS OF  
GIBRALTAR AND OF ITS FRONTIERS;

B. A MOROCCO AT PEACE WITH ITS NEIGHBORS, ESPECIALLY  
SPAIN AND ALGERIA, TWO COUNTRIES OF IMPORTANCE TO THE US;

C. MOROCCAN SUPPORT OF MODERATE POSITIONS OF  
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SIGNIFICANCE TO US IN ARAB, AFRICAN AND THIRD WORLD  
CONTEXTS;

D. CONTINUED MOROCCAN ACCEPTANCE OF US GOVERNMENT  
FACILITIES ON MOROCCAN SOIL AND CONVENTIONAL AND  
NUCLEAR-POWERED NAVAL SHIP VISITS;

E. DENIAL OF MOROCCAN SOIL TO USE BY SOVIETS,  
PARTICULARLY FOR MILITARY OR MILITARY-RELATED FACILITIES.

F. EXPANDED US PRIVATE INVESTMENT AND BUSINESS  
PRESENCE IN MOROCCO;

G. CONTINUATION OF FREE ACCESS TO THE COUNTRY'S  
ENORMOUS PHOSPHATE RESOURCES, POINTING TOWARDS INCREASING  
WORLD DEPENDENCE ON MOROCCAN RESERVES DURING THE LAST  
DECADE OF THIS CENTURY.

3. I BELIEVE THESE PRIORITIES COMPLEMENT THE DEPART-  
MENT'S ASSESSMENT OF US GLOBAL AND REGIONAL INTERESTS.  
OUR SUPPORT FOR PRO-WESTERN, TRADITIONALLY MODERATE, AND  
STRATEGICALLY LOCATED MOROCCO WILL SERVE A NUMBER OF OUR  
PRIORITY AIMS. THESE INCLUDE A MIDDLE EAST SETTLEMENT,  
OUR SECURITY CONCERNS IN THE AREA, AND OUR ABILITY TO  
INFLUENCE MOROCCO IN HUMAN RIGHTS, CONVENTIONAL ARMS  
TRANSFERS, AND NUCLEAR#PROLIFERATION.

4. AMBASSADOR'S OVERVIEW: ENVIRONMENTAL FACTORS WITH  
THE POTENTIAL TO AFFECT OUR PRIMARY INTERESTS OVER THE  
NEXT YEAR OR TWO ARE DISCUSSED BELOW:

5. MAGHREB TENSIONS: PRESENT MOROCCAN DIFFERENCES WITH  
ALGERIA OVER THE SAHARA DERIVE LARGELY FROM NATURAL  
RIVALRIES BETWEEN THE TRADITIONAL CONSERVATIVE MONARCHY  
IN MOROCCO AND THE REVOLUTIONARY SOCIALIST GOVERNMENT  
IN ALGERIA AND ARE UNLIKELY TO BE RESOLVED SOON. THE

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SERIOUS IMBALANCE IN REGIONAL MILITARY CAPABILITIES,  
PRINCIPALLY BECAUSE OF INFUSIONS OF SOVIET ARMS INTO  
ALGERIA AND LIBYA, UNDERLIES MOROCCO'S SECURITY CONCERN  
OVER THE SAHARA, WHERE THE ALGERIAN - AND LIBYAN-BACKED  
POLISARIO IS CONDUCTING GUERRILLA WARFARE. OUR CLOSER  
RELATIONS WITH MOROCCO LARGELY REFLECT OUR MILITARY  
ASSISTANCE PROGRAM AND FORTHCOMING ATTITUDE TOWARD  
MOROCCO IN THE UN ON THE SAHARA QUESTION. SINCE  
MOROCCO'S EXPECTATIONS OF US WILL FLUCTUATE IN PROPORTION  
TO AREA TENSIONS, THE LEVEL OF OUR SUPPORT IS CLOSELY  
LINKED TO OUR NATIONAL SECURITY OBJECTIVES HERE. TO AVOID THE  
RISK OF POLARIZATION AND SUPER-POWER CONFRONTATION,  
WE SHOULD CONTINUE TO ENCOURAGE MOROCCO'S TRADITIONAL  
DIVERSIFICATION OF ITS ARMS SOURCES AMONG FREE WORLD  
COUNTRIES. UNLESS THE SITUATION CHANGES MARKEDLY, THE  
SOVIETS WILL BEST PRESERVE THEIR FUTURE IN A POST-SAHARA  
MOROCCO BY CONTINUING TO BE CIRCUMSPECT.

6. THE MOROCCANS WILL WATCH CLOSELY FOR SLIPPAGE IN OUR

POSITION ON THEIR SOVEREIGNTY IN THE SAHARA, WHICH HAS BEEN ONE OF BEHIND-THE-SCENES SUPPORT STOPPING SHORT OF RECOGNITION. PRACTICAL CHOICES MAY ARISE AS MOROCCO UNDERTAKES LARGE DEVELOPMENT ACTIVITIES IN THE SAHARA AND OPENS THE REGION'S MINERAL POTENTIAL TO EXPLOITATION.

7. SINCE THE EEC COUNTRIES SHARE OUR INTEREST IN AVOIDING ALIENATION OF EITHER MOROCCO OR ALGERIA WHILE QUIETLY ENCOURAGING A PEACEFUL SETTLEMENT, THERE IS ROOM FOR CLOSER COORDINATION WITH THE EEC. HOWEVER, THE NINE WILL REMAIN OUR PRIMARY COMMERCIAL COMPETITORS HERE.

8. AFRICAN DEVELOPMENTS: CLEARLY ASSOCIATING MOROCCAN PROBLEMS WITH ALGERIA WITH SOVIET MISCHIEF, KING HASSAN VIEWS THE CURRENT QUOTE RADICALIZATION UNQUOTE IN AFRICA WITH GREAT CONCERN AND WAS SHAKEN BY WHAT HE VIEWED AS  
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US INACTION IN ANGOLA, AND IS WATCHING OUR ATTITUDE TOWARD THE ZAIRE CRISIS HOPEFULLY AS A SIGN OF THE REASSERTION OF US LEADERSHIP OF THE WEST. HE HAS RESORTED TO A MORE ACTIVIST POSTURE IN AFRICA AND WILL JUDGE OUR RELIABILITY BY OUR FIRMNESS IN MEETING SOVIET PRESSURES IN AFRICA.

9. ON OTHER AFRICAN ISSUES, MOROCCO IS A STAUNCH OPPONENT OF MINORITY RULE IN SOUTHERN AFRICA AND WILL TAKE CARE NOT TO MAR ITS THIRD WORLD CREDENTIALS IN ANY SHOWDOWN IN WHICH A MAJORITY OF AFRICAN NATIONS TAKE A STRONG POSITION. ON THE HORN, IT WILL LIKELY AVOID PUBLIC POSITIONS, ALTHOUGH THE KING PRIVATELY VOICES HIS CONCERN AT GROWING SOVIET INFLUENCE IN THAT AREA.

10. US-SOVIET RELATIONS: THE GOM'S DESIRE FOR GOOD RELATIONS WITH THE USSR DESPITE AREA TENSIONS HAS BEEN HELPED BY DETENTE. WHILE A SERIOUS SETBACK IN US-SOVIET RELATIONS MIGHT INCREASE MOROCCO'S CONCERN OVER SOVIET INROADS AND IN TURN ITS PRO-WESTERN PARTISANSHIP, THIS WOULD ALSO ENHANCE MOROCCAN EXPECTATIONS OF THE US. A SOVIET-CHINESE RAPPROCHEMENT COULD HAVE A SIMILAR EFFECT HERE, ALTHOUGH LESS DIRECTLY.

11. MULTILATERAL RELATIONS: THE GOM, WHICH OPTS FOR MODERATE ALTERNATIVES WHERE POSSIBLE, WILL NEVERTHELESS ALMOST ALWAYS FOLLOW A THIRD WORLD CONSENSUS IN THE UN, OAU, NON-ALIGNED CONFERENCE, LOS TALKS, CIEC DISCUSSIONS, COMMODITY DISCUSSIONS, AND NORTH-SOUTH GATHERINGS. RECENT MONTHS HAVE SHOWN, HOWEVER, THAT WE CAN SOMETIMES INFLUENCE THE GOM POSITION ON ISSUES SUCH AS KOREA AND

PUERTO RICO WHERE ITS VOTE WILL NOT JEOPARDIZE ITS  
CREDENTIALS IN THE ARAB WORLD AND WITH THE MORE MODERATE  
THIRD WORLD NATIONS. THIS RECEPTIVITY MAY INCREASE IF  
MOROCCO CONTINUES DOWN ITS MORE ACTIVIST PATH IN SORTING  
AFRICAN AND ARAB STATES INTO QUOTE RADICAL UNQUOTE AND  
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QUOTE MODERATE UNQUOTE CATEGORIES AND WORRIES LESS ABOUT  
LOSING POTENTIAL VOTES IN INTERNATIONAL FORA.

12. WORLD AND INTERNAL ECONOMY: A WORLDWIDE RECESSION  
OR EVEN AN EXTENDED PAUSE IN THE CURRENT RECOVERY WOULD  
HAVE A CLEAR IMPACT ON MOROCCO, INCREASING EXPECTATIONS  
FOR FMS AND AID FINANCING. AS A PRIMARY PRODUCER OF  
PHOSPHATES, MOROCCO WILL SIDE WITH OTHER LDC PRIMARY  
PRODUCERS OF RAW MATERIALS HOWEVER ITS ECONOMY EVOLVES.  
EVEN IN PROSPERITY, MOROCCO WILL CONTINUE TO LOOK TO THE  
US, ARAB NATIONS, INTERNATIONAL FINANCIAL INSTITUTIONS  
AND OTHER AID DONORS TO SUPPORT ITS EFFORTS TO ACHIEVE  
SELF-SUSTAINED GROWTH.

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TO SECSTATE WASHDC PRIORITY 1552  
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S E C R E T SECTION 2 OF 3 RABAT 1965

FROM AMBASSADOR

TUNIS FOR UNDER SECRETARY HABIB

13. WHILE WE REMAIN CAUTIOUSLY OPTIMISTIC ABOUT DEVELOPMENT PROSPECTS, THE INTERNAL MOROCCAN ECONOMY FACES SOME DIFFICULT MONTHS, WITH INFLATION CURRENTLY OVER 12 PER CENT AND HEADED UP. THIS OPTIMISM REMAINS CONDITIONAL ON CONTINUING GOOD CROP WEATHER, LABOR PEACE, AND KEEPING SAHARA EXPENDITURES AT CURRENT LEVELS. SUCH CHRONIC PROBLEMS AS UNEMPLOYMENT, RURAL/URBAN MIGRATION, HIGH POPULATION GROWTH, INADEQUATE EDUCATIONAL OPPORTUNITIES AND UNEQUAL DISTRIBUTION OF INCOME AWAIT LONGER-TERM RESOLUTION. IN THIS CONTEXT, OUR TECHNICAL AND CAPITAL ECONOMIC ASSISTANCE FOR THE IMMEDIATE FUTURE IS APPRECIATED HERE AND IMPORTANT TO OUR OVERALL INTERESTS.

14. IN THE EVENT OF INTENSIFIED GLOBAL US-SOVIET COMPETITION, THE US COULD TAKE MORE POSITIVE STEPS IN TECHNICAL, ECONOMIC, AND CULTURAL COOPERATION TO SOLIDIFY OUR POSITION IN MOROCCO. WE COULD MAINTAIN PRESENT LEVELS OF ECONOMIC AND TECHNICAL COOPERATION INSTEAD OF EVENTUALLY PHASING OUT, AND SIGNIFICANTLY INCREASE

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CULTURAL COOPERATION AT MINIMAL ADDITIONAL COST.

15. THE CLIMATE FOR FOREIGN INVESTMENT SHOULD CONTINUE TO IMPROVE UNDER THE PRESENT REGIME, WITH US BUSINESS ABLE TO TAKE ADVANTAGE OF GROWING OPPORTUNITIES. THIS MISSION ACTIVELY ENCOURAGES EXPANSION OF THE US BUSINESS PRESENCE. PARTICULAR AREAS OF BOTH FINANCIAL AND FUTURE STRATEGIC INTEREST TO THE US INCLUDE MAJOR CONTRACTING OPPORTUNITIES, ACCESS TO PHOSPHATES, URANIUM EXTRACTION, FISHERIES, AND NUCLEAR ENERGY. THE PHOSPHATE QUESTION IS A LONGER-TERM ONE, ALTHOUGH THE UNITED STATES GOVERNMENT NEEDS TO BE THINKING THROUGH ITS IMPLICATIONS MORE ACTIVELY.

16. NON-PROLIFERATION: NEGOTIATIONS CONTINUE BETWEEN WESTINGHOUSE AND THE MOROCCAN GOVERNMENT PHOSPHATE MONOPOLY ON AN AGREEMENT TO EXTRACT URANIUM FROM PHOSPHORIC ACID. THE KING HAS ANNOUNCED PLANS TO UNDERTAKE AN ACCELERATED PROGRAM OF NUCLEAR POWER DEVELOPMENT AND PUBLICLY INVITED INTERNATIONAL INSPECTION OF ANY FUTURE FACILITIES. WE HAVE OFFICIALLY CONGRATULATED THE GOM ON ITS STAND. THE INVOLVEMENT OF A US FIRM IN THE URANIUM EXTRACTION PROCESS AND, PERHAPS, IN THE NUCLEAR REACTOR PROGRAM WOULD GIVE US INCREASED LEVERAGE HERE ON NON-PROLIFERATION ISSUE.

17. US MILITARY PRESENCE: THE PHASEDOWN OF OUR NAVAL COMMUNICATIONS FACILITIES AND THE INSTALLATION OF A MODEST GEODSS STATION WILL BE TOP-PRIORITY TASKS OVER

THE NEXT TWENTY MONTHS OR SO AND WE FACE INEVITABLE  
SPECULATION THAT THE MODIFICATIONS SIGNAL--BOTH INTERNALLY  
AND EXTERNALLY--A SLACKENING OF US INTEREST IN MOROCCO.  
ANY NEW US MILITARY FACILITIES WILL HAVE TO BE WEIGHED  
AGAINST SUCH CONSIDERATIONS AS IMPACT ON AREA TENSIONS,  
SOVIET (AND ALGERIAN) REACTIONS, AND HOW CLOSELY WE  
WISH TO ASSOCIATE OURSELVES WITH MOROCCO IN TERMS OF  
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OUR REGIONAL AND BILATERAL INTERESTS.

18. MIDDLE EAST: POPULAR SUPPORT FOR THE PALESTINIAN  
CAUSE RUNS HIGH, AND MOROCCAN TROOPS FOUGHT IN THE 1973  
WAR. THE MOROCCAN LEADERSHIP IS, HOWEVER, MORE RESTRAINED  
THAN PUBLIC OPINION AND WILL ADOPT MODERATE POSITIONS  
IN SUPPORT OF A PEACEFUL SETTLEMENT, TENDING TO ALIGN  
THEM WITH THE EGYPTIANS AND SAUDIS.

19. THE KING WILL TRY TO HELP US IN MIDDLE EAST PEACE  
EFFORTS AS A PERIPHERAL FIGURE ON GOOD TERMS WITH ALL  
THE ARAB PRINCIPALS AND IN CONTACT WITH THE ISRAELIS  
THROUGH PRIVATE CHANNELS. HE MAY PROVE USEFUL IN AD HOC  
CIRCUMSTANCES (HE WAS, FOR EXAMPLE, INSTRUMENTAL IN  
RECONCILING ARAB DIFFICULTIES PRIOR TO THE NOVEMBER 1976  
RIYADH MINI-SUMMIT). HOWEVER, ANY ARAB-US ESTRANGEMENT  
OVER FAILED MIDDLE EAST PEACE SCENARIOS WOULD DAMPEN US  
RELATIONS WITH MOROCCO.

20. INTERNAL STABILITY AND HUMAN RIGHTS: THE KING'S  
POSITION IS STRONG IN THE WAKE OF UNITY INSPIRED BY THE  
SUCCESSFUL SAHARA CAMPAIGN AND TENSIONS WITH ALGERIA.  
HE HAS FELT ABLE TO LOOSEN INTERNAL CONTROLS IN EFFECT  
SINCE THE 1971 AND 1972 COUP ATTEMPTS. BY-PRODUCTS OF  
THIS GAIN IN CONFIDENCE HAVE BEEN TENTATIVE PLUSES IN  
THE AREA OF HUMAN RIGHTS. A RETURN TO QUOTE CONSTITUTIONAL  
GOVERNMENT UNQUOTE WILL BE ESSENTIALLY COMPLETED WITH  
PARLIAMENTARY ELECTIONS NOW PROJECTED FOR LATE SPRING.  
THE GOM IS WINDING UP AN IMPRESSIVE EFFORT TO CLEAR THE  
DOCKETS OF POLITICAL PRISONERS AND HAS LIFTED DOMESTIC  
PRESS CENSORSHIP. DESPITE THESE CHANGES, WE JUDGE THAT  
THE KING WILL CONTINUE TO EXERT FIRM AND ESSENTIALLY  
UNCHALLENGED LEADERSHIP.

21. THE US HAS DISCREETLY ENCOURAGED POLITICAL LIBERALIZATION.  
WE HAVE OVER THE YEARS MAINTAINED CONTACT WITH MAJOR  
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OPPOSITION ELEMENTS AND SEND PROMISING MEMBERS TO THE US  
ON LEADER GRANTS. WE BELIEVE WE ARE PURSUING THE RIGHT  
BALANCE OF POSITIVE INTEREST AND CONCURRENT NON-INTERFERENCE.

22. US POLICY OBJECTIVES, COURSES OF ACTION AND ISSUES:

A. OBJECTIVE: TO MAINTAIN CLOSE POLITICAL/MILITARY  
RELATIONS WITH MOROCCO IN HARMONY WITH OUR AREA INTERESTS.  
DOD ACTIONS WILL BE IMPORTANT TO THIS OBJECTIVE. COURSES  
OF ACTION:

-- RESPOND TO MOROCCAN EXPECTATIONS SYMPATHETICALLY  
WITHIN THE LIMITS OF US INTERESTS IN A GIVEN SITUATION  
BUT WITHOUT CHALLENGING FRANCE AS THE PREDOMINANT WESTERN  
FORCE IN MOROCCO AND TAKING CARE TO AVOID MOROCCAN OVER-  
DEPENDENCE ON US.

-- CONTINUE MILITARY SALES AND ASSISTANCE AT A  
LEVEL SUFFICIENT TO GIVE MOROCCO A CREDIBLE DETERRENT BUT  
NOT DISPROPORTIONATE TO THE LIMITED ROLE WE SEEK TO PROJECT.

-- KEEP THE OFFICIAL US PRESENCE IN MOROCCO LEAN SO  
THAT MOROCCO PERCEIVES US AS A SUPPORTIVE FRIEND, NOT  
AN OPPRESSIVE EXTERNAL INFLUENCE.

-- IMPLEMENT THE CLOSURE OF OUR NAVAL FACILITIES  
COOPERATIVELY AND DISCREETLY TO PRECLUDE THE APPEARANCE  
OF LESSENING US INTEREST. THIS CONCERN RELATES TO  
KING HASSAN'S INTERNAL IMAGE AND TO OUR OWN FUTURE  
INTERESTS SUCH AS THE INSTALLATION OF GEODSS AND POSSIBLY  
OTHER FACILITIES.

ISSUE: WILL OUR ARMS SUPPLY ENCOURAGE THE MOROCCANS TO  
BECOME MORE AGGRESSIVE TOWARD ALGERIA? WE SEEK TO  
STRENGTHEN MOROCCAN DEFENSES, NOT TO UPSET THE MILITARY  
BALANCE, WHICH CLEARLY FAVORS SOVIET-SUPPLIED ALGERIA.

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FURTHERMORE, OUR ASSISTANCE GIVES US INFLUENCE OVER  
MOROCCAN ACTIONS, AND REINFORCES THE PRO-WESTERN ORIENTATION  
OF THE MOROCCAN ARMED FORCES.

ISSUE: WOULD ADDITIONAL US MILITARY FACILITIES PROVOKE  
THE SOVIETS TO ABANDON THEIR PRESENT MODERATELY AMICAL  
STANCE TOWARD MOROCCO? A PERCEIVED ESCALATION IN US  
MILITARY PRESENCE IN MOROCCO COULD PROMPT THE  
SOVIETS TO PUSH A POSSIBLY MORE RECEPTIVE ALGERIA HARDER  
FOR FURTHER OPERATIONAL FACILITIES.

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S E C R E T SECTION 3 OF 3 RABAT 1965

FROM AMBASSADOR

TUNIS FOR UNDER SECRETARY HABIB

ISSUE: SHOULD THE US INVITE KING HASSAN TO VISIT THE  
US? KING HASSAN, WHO LAST NOVEMBER RESUMED TRAVEL ABROAD,  
HAS TWICE SOLICITED FROM ME THE RENEWAL OF THE INVITATION  
EXTENDED BY TWO PREVIOUS PRESIDENTS. AN EARLY INVITATION,  
SPECIFIC OR IN PRINCIPLE, WOULD PAY DIVIDENDS WITH THIS  
FRIENDLY BUT PROUD CHIEF OF STATE.

B. OBJECTIVE: TO MAINTAIN MOROCCO IN THE WESTERN  
CAMP AND RECEPTIVE TO OUR MIDDLE EAST PEACE EFFORTS AND  
OTHER MULTILATERAL INITIATIVES. COURSES OF ACTION:

-- KEEP HASSAN INFORMED OF OUR ACTIVITIES IN THE  
MIDDLE EAST AND AFRICA AND SELECTIVELY ACCEPT HIS REPEATED  
OFFERS OF ASSISTANCE FOR AD HOC TASKS AS THE MIDDLE EAST  
NEGOTIATING SCENARIO PROGRESSES.

-- CONSULT CLOSELY WITH THE GOM TO AVOID CONFRONTATION  
IN AREAS WHERE WE HAVE NO COMMON GROUND, SUCH AS THE CIEC,  
OECD COMMODITY DISCUSSIONS, CERTAIN AFRICAN AND PALESTINIAN

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QUESTIONS, AND LAW OF THE SEA.

-- CONTINUE TO URGE MOROCCAN SUPPORT ON MATTERS OF IMPORTANCE TO US WHERE THEIR OWN INTERESTS ARE NOT DIRECTLY INVOLVED, SUCH AS KOREA AND PUERTO RICO.

-- RESPOND FAVORABLY TO MOROCCAN REQUESTS FOR RECIPROCAL SUPPORT, PARTICULARLY ON ISSUES INVOLVING THE KEY WESTERN SAHARA ISSUE OR, WITH REGIONAL GROUP CONCURRENCE, MOROCCAN CANDIDACIES FOR VARIOUS INTERNATIONAL POSTS.

-- COORDINATE OUR POLICIES WITH THE EEC, WHICH ALREADY PURSUES IN LARGE MEASURE A JOINT POLICY TOWARD MOROCCO.

-- PROMOTE QUOTE BICULTURAL UNQUOTE INSTITUTIONS AND ACTIVITIES DEDICATED TO US-MOROCCAN FRIENDSHIP THAT WILL UNDERLINE MOROCCO'S TIES WITH THE WEST (E.G., CONVERSION OF THE HISTORIC AMERICAN LEGATION BUILDING IN TANGIER INTO A PERMANENT MUSEUM AND STUDY CENTER FOR US-MOROCCAN RELATIONS).

C. REGIONAL STABILITY. OBJECTIVES: TO HOLD DOWN TENSIONS BETWEEN MOROCCO AND ALGERIA OVER THE SAHARA AND AVOID BIG-POWER POLARIZATION OVER AREA TENSIONS. COURSES OF ACTION:

-- RECOGNIZE THAT OUR INFLUENCE IS LIMITED CONCERNING THE SAHARA AND THAT LITTLE COMMON GROUND FOR MOROCCAN-ALGERIAN NEGOTIATIONS EXISTS.

-- ENCOURAGE THIRD-PARTY MEDIATION EFFORTS, AVOIDING IDENTIFICATION WITH SUCH EFFORTS OURSELVES BUT DISCREETLY PROMOTING A PEACEFUL OUTCOME.

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-- SUPPORT UN RESOLUTIONS WHICH MIGHT AID IN RESOLVING THE DISPUTE OR CONTRIBUTE TO REGIONAL STABILITY.

-- WELCOME MOROCCAN EFFORTS AT INTERNAL DEVELOPMENT WITHIN THE SAHARA AIMED AT ENABLING THE SAHARAN PEOPLE TO PARTICIPATE IN MOROCCAN POLITICAL AND ECONOMIC LIFE.

-- DEFER A FORMAL POSITION ON SAHARA SOVEREIGNTY UNTIL AN INTERNATIONAL CONSENSUS DEVELOPS, WHILE NOT BLOCKING US FIRMS FROM BUSINESS OPPORTUNITIES AS THE GOM DEVELOPS THE SAHARA AND EXPLOITS ITS MINERAL WEALTH.

-- COORDINATE POSITIONS WITH EEC MEMBERS MORE CLOSELY.

-- AVOID MOVES WHICH WOULD INCREASE ALGERIAN RECEPTIVITY TO SOVIET PRESENCE AND ENDANGER OUR OWN RELATIONS WITH ALGERIA.

D. OBJECTIVE: TO IMPROVE THE HUMAN RIGHTS SITUATION IN MOROCCO. COURSES OF ACTION:

-- EXPRESS PRIVATELY APPROVAL OF GOM EFFORTS TOWARD CONSTITUTIONAL GOVERNMENT AND POLITICAL LIBERALIZATION.

-- CONTINUE OPEN CONTACT WITH ALL ELEMENTS OF MOROCCAN SOCIETY AND SELECTION OF OPPOSITION MEMBERS AS LEADER GRANTEES.

-- INSURE THAT THE POLICY AND VIEWS OF THE USG ON THIS SUBJECT ARE CLEARLY AND WIDELY UNDERSTOOD.

E. OBJECTIVE: TO FACILITATE GROWTH OF AMERICAN BUSINESS PARTICIPATION IN THE MOROCCAN ECONOMY. THE DEPARTMENTS OF COMMERCE, INTERIOR, AND TREASURY AS WELL AS EXIM AND OPEC WILL BE INVOLVED. COURSES OF ACTION:  
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-- EMPHASIZE OUR INTEREST IN INCREASED TWO-WAY TRADE, REFERRING TO THE OPPORTUNITIES AFFORDED BY THE EXTENSION TO MOROCCO OF THE GSP.

-- ENCOURAGE US COLLABORATION WITH THE MOROCCAN PHOSPHATE INDUSTRY SO THAT CONTACTS WILL EXIST AGAINST THE DAY, CONCEIVABLY A DECADE AWAY, WHEN WE MUST BEGIN TO IMPORT MOROCCAN PHOSPHATES.

-- SUPPORT PARTICIPATION BY US FIRMS IN URANIUM EXTRACTION AND NUCLEAR REACTORS, ASSURING MORE LEVERAGE WITH THE GOM ON NON-PROLIFERATION.

-- EMPHASIZE TO US AND MOROCCAN BUSINESSMEN, IN COOPERATION WITH THE MOROCCAN-AMERICAN CHAMBER OF COMMERCE, THE ADVANTAGES OF DOING BUSINESS IN MOROCCO, PRESENTING A BALANCED PICTURE OF BOTH PLUSES AND MINUSES.

-- PRESS THE GOM TO PUBLICIZE TENDERS FOR BIDS PROVIDING SUFFICIENT LEAD TIME FOR DISSEMINATION OF THIS INFORMATION TO AMERICAN FIRMS FOR PREPARATION OF BIDS.

-- COMPLETE THE REMAINING STEPS TO BRING INTO FORCE  
THE ALREADY INITIALED US-MOROCCAN DOUBLE TAXATION TREATY  
AND PUBLICIZE ITS SIGNATURE TO THE AMERICAN BUSINESS  
COMMUNITY.

-- IMPRESS UPON THE GOM THE IMPORTANCE OF AMICABLE  
RESOLUTION OF THE STILL UNRESOLVED US CLAIMS FOR  
EXPROPRIATED RURAL LANDS AND SUCH COMMERCIAL DISPUTES  
AS ARISE.

-- URGE MOROCCAN POLICY-MAKERS AND TECHNOCRATS TO  
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LIBERALIZE FURTHER MONETARY EXCHANGE REGULATIONS AND  
THE APPLICATION OF ADMINISTRATIVE PROCEDURES.

F. OBJECTIVE: TO CONTRIBUTE TO MOROCCAN ECONOMIC  
DEVELOPMENT. AID WILL CONTINUE TO PLAY A USEFUL ROLE.  
COURSES OF ACTION:

-- CONTINUE PROVISION OF PL-480 TITLE I AND II  
FOODSTUFFS AS NECESSARY IN RESPONSE TO THE NEED, EASING  
THE BURDEN ON THE MOROCCAN BUDGET.

-- ENCOURAGE DISCUSSIONS THROUGH THE IBRD-SPONSORED  
CONSULTATIVE GROUP OF DONORS TO IDENTIFY OPPORTUNITIES  
FOR THE EFFECTIVE UTILIZATION OF MULTILATERAL CONTRIBUTIONS,  
WITH PARTICULAR REFERENCE TO AGRICULTURAL AND DEMOGRAPHIC  
PROBLEMS.

-- DIRECT US RESOURCES TO ENSURE VISIBLE BENEFITS  
FOR THE POOREST SEGMENTS OF MOROCCAN SOCIETY, CONTRIBUTING  
TO SOCIAL STABILITY.

-- FUND MORE UNIVERSITY-LEVEL TRAINING AND EDUCATIONAL  
OPPORTUNITIES IN THE US FOR MOROCCAN STUDENTS, RESULTING  
IN BENEFITS IN THE BUSINESS AND CULTURAL FIELDS AS WELL.  
USIS WOULD PLAY A KEY ROLE.

-- ASSIST MOROCCAN ECONOMIC DEVELOPMENT THROUGH THE  
TRANSFER OF CAPITAL, TECHNOLOGY, MANAGEMENT SKILLS, AND  
THE CREATION OF MORE AND HIGHER QUALITY JOBS, WHILE  
ENCOURAGING A MORE ACTIVE US PRIVATE SECTOR PARTICIPATION  
LOOKING TWOARDS EVENTUAL PHASEDOWN OF USAID ACTIVITIES  
AS MOROCCO APPROACHES SELF-SUSTAINED GROWTH.  
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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Concepts:** ANNUAL REPORTS, PARM REPORTS, CERP 0001  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977RABAT01965  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Format:** TEL  
**From:** RABAT  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 38356  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PARM--ANNUAL POLICY AND RESOURCE ASSESSMENT - PART I  
**TAGS:** AMGT, PFOR, US, MO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/da3fbda6-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009